

AMENDED EXHIBIT 1  
MAILED NOTICE

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

---

LEON McLAURIN, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Civil Action No. 98CV2019 (EGS)
	)	
NATIONAL RAILROAD PASSENGER	)	CLASS ACTION
CORPORATION (“AMTRAK”),	)	
	)	
Defendant.	)	

---

NOTICE OF SETTLEMENT

AMTRAK EMPLOYMENT DISCRIMINATION LITIGATION

FROM: EMMET G. SULLIVAN  
JUDGE, UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA  
WASHINGTON, D.C.

TO: ALL PLAINTIFFS AND CURRENT AND FORMER BLACK  
EMPLOYEES OF AMTRAK WHO WORKED IN POSITIONS NOT  
COVERED BY A COLLECTIVE BARGAINING AGREEMENT  
(“MANAGEMENT EMPLOYEES”) AT ANY TIME BETWEEN  
JANUARY 1, 1995 AND SEPTEMBER 30, 1999.

---

This Court wishes to inform you that a settlement, in the form of a Consent Decree, has been reached by Plaintiffs and Defendant Amtrak, in a lawsuit alleging race discrimination in employment. If approved by the Court, this will be a complete settlement of the case and will provide various kinds of relief, including monetary relief, for those eligible members of the class who file timely claims.

The Court has reviewed the settlement and has given it preliminary approval. Before deciding whether to finally approve the settlement, the Court wishes to inform you of the general terms of the proposed Decree and of your right to comment on the settlement, if you so desire. If the settlement is finally approved by the Court and becomes effective after a hearing regarding the fairness of the settlement (“the fairness hearing”), the Court’s judgment will be final and binding.

This Notice is only a summary of the settlement. The Consent Decree which includes the entire settlement is available for review on the web at <http://www.amtraksettlement.com/>, <http://www.dcd.uscourts.gov/>, or in the Office of the Clerk of the United States District Court, 333 Constitution Avenue, N.W., Washington, D.C. Other orders that the Court may issue from time to time regarding the administration of the Decree will also be on file with the Court. You alternatively may obtain a copy of the Consent Decree by paying Twelve Dollars (\$12) by check or money order to cover copying and mailing expenses, to the Agent for Class Counsel at: Amtrak Employment Litigation, P.O. Box 4390, Portland, OR 97208-4390, 1-800-625-5506.

The Court will decide whether to give final approval to this Consent Decree after the fairness hearing to be held at 9:00 a.m. on October 25, 1999, in Courtroom Number 11 at the U.S. District Court for the District of Columbia, 333 Constitution Avenue, N.W., Washington, D.C. You are not required to appear at the hearing. If you are a class member and do not appear, you will be represented by attorneys for the class at no cost to you. You may, if you wish, appear and comment on or object to the settlement to the extent it might affect you. You may also hire an attorney of your own choice, if you wish, at your own expense. If you plan to comment on or object to the manner in which

the Consent Decree might affect you, you must file a written notice of appearance identifying yourself and any attorney you may retain and state specifically why you want to object to the Consent Decree. This statement must be mailed to the Court at the following address: Clerk of the United States District Court for the District of Columbia, P.O. Box 19500, Washington, D.C. 20036. It must be postmarked on or before October 6, 1999 to be considered. You need not appear at the hearing for your comments or objection to be considered by the Court. However, you may appear only if you first file the notice and statement described above to advise the Court of your intention to appear.

#### SUMMARY OF DECREE

1. In August 1998, plaintiffs filed a class action lawsuit alleging that Amtrak had illegally discriminated against African Americans employees who either were or had been employed in positions not covered by a collective bargaining agreement (“management positions”), or who had applied for such positions and not been selected. Amtrak has denied all allegations and does not admit to any wrongdoing.

Following an intensive period of Court-ordered mediation, counsel for Amtrak and Class Counsel advised the Court that they had agreed in principle that the case should be settled without the uncertainty, delay, and expense of continued litigation.

2. You are a member of the class affected by the settlement agreement (the “class”) if you are a plaintiff or black person who, at any time between January 1, 1995 and September 30, 1999:

- a) has been employed by Amtrak in positions, other than positions on Amtrak’s Management Committee, not subject to a collective bargaining agreement (“CBA”) (“management positions”); and/or,

- b) has applied and been rejected by Amtrak for management positions, including applicants who were not then Amtrak employees and those who were then employed by Amtrak in positions subject to a CBA (“non-management positions”).

Even if you come within these definitions, however, you will not be able to recover any money under the Decree for any claim(s) as to which you knowingly executed a valid release or as to which there has previously been a final judicial determination. If you do not timely file a Claim Form and/or a Job Relief Form as explained below, you will also be barred in the future from making any such claims.

3. The agreement settles claims of discrimination against Amtrak, which were made or could have been made, by members of the class based on their employment or application for employment with Amtrak in a management position during the relevant time period.

If you have such a claim, the agreement provides your only procedure for asserting it unless you affirmatively “opt out” as provided in the Hearing section (page 10). Otherwise such claims are barred. Moreover, all plaintiffs and class members who accept a monetary award under the Decree will be barred from asserting any employment claim against Amtrak for actions or omissions relating to their employment in management positions or application for management positions through September 30, 1999, except for claims under the Railroad Unemployment Insurance Act or the Railroad Retirement Tax Act.

The agreement does not settle claims of discrimination which have been made or could be made by class members based on their employment in non-management

positions. For example, members of the Brotherhood of Maintenance of Way Employees who applied for management positions but were discriminatorily denied such jobs, and who filed a monetary claim under this settlement, would not be precluded from receiving monetary awards from any future settlement of the class action charging Amtrak with employing discriminatory practices in BMW positions in its Engineering Department in the Northeast Corridor.

4. Under the settlement, Amtrak will pay Eight Million Dollars (\$8,000,000) plus interest into a Settlement Fund. It shall make two deposits. On or before October 15, 1999, Amtrak shall deposit Four Million Dollars (\$4,000,000) into the Settlement Fund. Amtrak shall deposit an additional Four Million Dollars (\$4,000,000) plus six percent interest compounded monthly during the intervening year, on or before November 15, 2000.

The Settlement Fund shall be administered by Class Counsel under the Court's supervision. The Fund will be divided into two portions. The first portion shall consist of five million dollars (\$5,000,000) in the aggregate, together with interest and income earned on this amount. The Claims Portion shall be used to pay the plaintiffs and class members to compromise their individual employment claims and to maintain reserves for taxes. The remaining amount of the Fund will be used to pay counsel for the plaintiffs and the class for their attorneys' fees, experts' fees, mediation fees, and other expenses, as well as the future costs of administering the Settlement Fund and monitoring Amtrak's compliance with the terms of the settlement.

**5. IF YOU ARE A PLAINTIFF OR CLASS MEMBER AND WISH TO  
FILE A CLAIM, YOU MUST COMPLETE AND SUBMIT A CLAIM FORM IN**

**AN ENVELOPE POSTMARKED ON OR BEFORE OCTOBER 29, 1999. A COPY OF A CLAIM FORM AND INSTRUCTIONS FOR COMPLETING IT ARE ENCLOSED. AFTER YOU FILE A TIMELY CLAIM FORM, YOU NEED DO NOTHING FURTHER UNTIL YOU ARE CONTACTED BY CLASS COUNSEL.**

6. Class members, including plaintiffs, who timely file claim forms will have their claims reviewed for validity by Class Counsel applying the criteria for eligibility set out in the Consent Decree as part of the claims administration process. Claims will then be allocated points for responses to questions on the Claim Form based on uniform standards. The information will be verified for accuracy against Amtrak's employment data. Untruthful responses will disqualify a claimant.

The precise formula by which the claims portion of the settlement fund will be allocated among claimants has not yet been determined and must be approved by the Court. It is anticipated, however, that the formula will include points for the following and possibly other factors: (1) length of employment with Amtrak; (2) strength of claim and amount of damages from alleged denial of advancement opportunities (claims based on initial assignment, promotion, and transfer decisions); (3) strength of claim and amount of damages from alleged compensation discrimination (claims based on disparities in pay); (4) strength of claim and amount of damages from discipline imposed (claims based on suspension or termination decisions); (5) strength of claim and amount of damages from alleged racial conduct or language; and (6) contributions to the prosecution of the litigation. Claims involving alleged unfair performance appraisals, inadequate training, or disciplinary action resulting in less than suspension or termination, will be treated as claims attributable to any resulting personnel actions such

as lost promotions. Points will be awarded to unsuccessful applicants for management positions based on such factors as: (1) pay grade of job sought; (3) demonstrated suitability and/or qualification for the job sought; (4) strength of claim; and, (5) contribution to the prosecution of the litigation. The precise formula for allocating the fund to class members, as well as the final proposed distributions, will be submitted under seal to the Court for approval.

Monetary awards to class members will be made by the Court based on analyses made by Class Counsel after reviewing the claim forms and applying the formula. Claimant awards will reflect their total assigned points in proportion to total points of all claimants combined. At this time, it is not possible to predict how much money a particular claimant will receive, if any. Submission of a claim form does not automatically entitle you to an award or to points earned toward a monetary award.

All claimants obtaining monetary awards will be required to sign releases, in language agreed on by Class Counsel and Amtrak, of all employment-related claims concerning their employment in or application for management positions, and of claims against the Settlement Fund. Class Counsel will be required to withhold from each award and deposit with the government employment and income taxes.

7. At its own expense, and apart from the Settlement Fund, Amtrak has agreed to make revisions to its employment practices in the areas of (but not limited to) hiring, advancement/promotion, training, pay, job descriptions, performance appraisals, RIF's, disciplinary processes, and equal employment opportunity processes. The settlement does not provide for any quotas based on race. Nor does it provide for displacing anyone from a job.

The various prospective internal revisions in employment practices that Amtrak has agreed to implement are intended to enhance opportunities for employment and advancement of all Amtrak employees and applicants, without regard to race, and to provide for a workplace that promotes fairness for all employees.

Accordingly, Amtrak will: (1) revise its performance appraisal system; (2) revise selection and interview procedures; (3) revise its disciplinary procedures; (4) revise its cultural diversity training programs; (5) adopt uniform and objective procedures for selecting employees; (6) revise posting procedures for jobs; (7) undertake a comprehensive compensation study to determine if adjustments are warranted for certain individuals; (8) review all position descriptions to determine if they accurately reflect the duties of any given job; (9) provide career development counseling for employees interested in management positions; (10) dramatically improve databases, including applicant flow, discipline and equal employment opportunity data; (11) include an equal employment opportunity component to performance appraisals and preclude Management employees who are rated unsatisfactory in the component from being promoted for one (1) year; (12) create a new and independent office to staff internal equal employment opportunity investigations and conciliation, which shall report to the newly-created office of Vice President Business Diversity; (13) create the position of Vice President of Business Diversity, who shall, as an officer of the Corporation, report directly to the President of Amtrak and shall have the authority and obligation to implement new equal employment opportunity and diversity measures and/or disciplinary actions up to and including termination on approval of the President; (14) revamp its internal equal employment opportunity complaint and investigation procedures;



(15) introduce new “early resolution” procedures to address discrimination complaints in the workplace; and (16) clarify that discrimination and failure to discipline discriminators are offenses susceptible to termination. Amtrak’s compliance with its commitments will be monitored by the Court through reports to be supplied to Class Counsel by Amtrak, and quarterly meetings held between Amtrak and Class Counsel. Class Counsel thereafter will file periodic summaries of such reports with the Court.

8. Under the Decree, certain class members are eligible to participate in a process designed to provide them with job relief, such as a promotion or reinstatement. Class members who applied and were rejected by Amtrak for management positions at a time that they were not Amtrak employees are ineligible for job relief. The job relief process will include direct negotiation, followed by mediated negotiation if direct negotiation is unsuccessful, followed by a hearing before an arbitrator if mediated negotiation is unsuccessful. The arbitrator may order such job relief upon individual proof of demonstrable incidents of discrimination. However, no such relief will displace any incumbent employee from his or her current position, and ordinarily it will be tied to a future vacancy. Class members who participate in this job relief process, however, will be accorded a use tax equal to twenty-five percent (25%) of the total points and all points related to such specific claim allocated to them under the Court-approved formula and pursuant to the Claim Form. **IF YOU ARE A PLAINTIFF OR CLASS MEMBER AND WISH TO SEEK JOB RELIEF, YOU MUST COMPLETE AND SUBMIT A JOB RELIEF FORM IN AN ENVELOPE POSTMARKED ON OR BEFORE OCTOBER 29, 1999. A COPY OF A JOB RELIEF ELECTION FORM AND INSTRUCTIONS FOR COMPLETING IT ARE ENCLOSED. AFTER YOU FILE**

**A TIMELY JOB RELIEF ELECTION FORM, YOU NEED DO NOTHING  
FURTHER UNTIL YOU ARE CONTACTED BY CLASS COUNSEL.**

9. Amtrak's payment into the Settlement Fund will also cover costs, fees and expenses incurred by plaintiffs and the class in the litigation from its inception to date, and to pay for the administration and distribution of the Settlement Fund, the handling of the job relief process, and the monitoring of Amtrak's compliance with the Consent Decree over its four-year term. These litigation, administration, and monitoring costs will be paid by Amtrak over and above the \$5,000,000 paid by Amtrak to resolve the claims of plaintiffs and class members. Thus, if you are a class member and receive an award from the Fund, you will not owe any fees or expenses to the lawyers who have represented you as part of the class.

**HEARING**

If you have an objection to the settlement and do not file it with the Court, the Court will not consider it in determining the fairness of the settlement. Any attorney who will appear at the hearing on October 25, 1999 on your behalf must identify him/herself in writing to the Court no later than the last day for filing written objections, October 6, 1999. If you do not wish to object to or comment on the terms of the settlement, it is not necessary to attend the fairness hearing or do anything else.

If you are a class member and wish to pursue your own lawsuit against Amtrak arising out of acts of discrimination that occurred before the settlement of this lawsuit, you may notify the Court in writing that you request not to benefit from this settlement and not to proceed with a monetary or job relief claim under the terms of the Consent Decree. To be effective, any such "opt out" notice must be mailed to the Clerk of the

Court at P.O. Box 19500, Washington, DC 20036 and postmarked no later than October 6, 1999. If you do not “opt out” from the settlement in this way, you will be bound by its terms and will not be able to pursue any separate discrimination charge or lawsuit for acts occurring before September 30, 1999. Participation in the lawsuit will not bar you from pursuing claims of discrimination that occur on or after September 30, 1999.

Class members may obtain a written response to their written questions about the settlement from Plaintiffs’ Lead Counsel by addressing your inquiries to Michael Lieder and Maia Caplan, Sprenger & Lang, 1614 20th Street N.W., Washington, D.C. 20009. The Washington Lawyers’ Committee for Civil Rights & Urban Affairs also represented plaintiffs and the class members in this action.

The judgment of the Court will be final as to the fairness and adequacy of this settlement. Its judgment will determine the rights of class members who do not opt out of the settlement and any other affected persons or entities with respect to the matters covered by the agreement, and you will be bound by the judgment whether favorable or not.

September \_\_\_, 1999

Emmet G. Sullivan  
Judge, United States District Court  
for the District of Columbia